

# 5.1 CFMS System Overview

## Policy Statement

It is the policy of the Province of Nova Scotia to use the Corporate Financial Management System (CFMS)

- to record financial transactions
- to generate reports and reliable information meeting users' needs in support of key decision-making processes
- for interim financial reporting purposes of the government reporting entity

## Definitions

### CFMS

The Corporate Financial Management System was implemented on April 1, 1997 for all provincial departments and agencies (see Appendices 5-A, 5-B, and 5-C). CFMS is currently distributed to over 800 departmental users in more than 60 provincial locations with the following system modules/components:

#### Financial Accounting (FI) Module

General Ledger  
Accounts Receivable  
Accounts Payable  
Asset Management  
Funds Management

#### Controlling-Cost Centre Accounting (CO) Module

Standard Hierarchy  
Cost Centres  
Cost Elements  
Orders  
Activities

#### Material Management (MM) Module

Procurement  
Inventory  
Plant Maintenance

#### Modules not yet implemented

Project System  
Workflow  
Industry Solutions  
Human Resources  
Quality Management  
Production Planning  
Sales and Distribution

### CIS

Corporate Information Systems is a division of the Department of Finance. It provides functional support, direction, and maintenance for CFMS and plans and coordinates the implementation of system improvements and expansions.

### SAP

Systems Applications and Products for Data Processing

### **GENERAL LEDGER (GL)**

The General Ledger is an orderly financial accounting structure that summarizes all transactions at the account number level. The GL enables government departments to compare their current financial actuals to historical data.

### **ACCOUNTS RECEIVABLE (AR)**

The Accounts Receivable component of the SAP FI module is used to administer the outstanding accounts of customers of the Province of Nova Scotia. This module supports postings to customer accounts, open item management, invoice generation, reporting and analysis, and integration with accounts payable and the corporate general ledger.

### **ACCOUNTS PAYABLE (AP)**

The Accounts Payable component is used to process payments for vendor invoices, cheque requisitions, travel expense reimbursements, etc., that are either purchase order—based or non-purchase order—based. Cheques are issued centrally and are settled by cheque issued in Canadian or US funds.

### **ASSET MANAGEMENT (AM)**

Tangible capital assets are recorded in the Asset Management module. Transactions include purchases, disposals, write-downs, and assets under construction. Assets are recorded in the AM module according to appropriate asset classes and threshold amounts for each class, as outlined in the Tangible Capital Assets Policy.

### **INVENTORY MANAGEMENT**

The Inventory Management module of the CFMS deals with the management of material stocks on a quantity and value basis. This module facilitates the planning, entry, and documentation of all goods movements as well as performing physical inventory counts. This module does not include inventory held for resale.

### **PROCUREMENT**

The Procurement module is used to process the purchase of goods, services, and construction in accordance with government procurement policy. The Procurement module is integrated with all other materials management modules as well as most other modules. Procurement involves all transactions required to complete a purchase: the creation of a requisition, the tendering process, purchase order creation, and goods receipt. Outline agreements, standing offers, or long-term contracts are also part of procurement responsibility.

### **CONTROLLING**

This module contains the records for the government standard hierarchy, cost centre reporting, and orders reporting. Departments are required to do detailed budgeting and reporting, by department, division, and program (budget subject) and to enter those values into Controlling. This module is a reporting tool to enable fiscal accountability and linkage of departmental business plans to the government's strategic direction by reporting actual results, budgeted amounts, and variances. It also uses orders to track costs for information purposes or for rebilling.

### **FUNDS MANAGEMENT (FM)**

Features of this module include the fund centre hierarchy, funds reservation, availability controls, and a copy of the final approved budget for all accounts, including balance sheet items. Currently, the only balance sheet accounts budgeted in FM are tangible capital assets.

### **PLANT MAINTENANCE**

The Plant Maintenance module allows for the structuring of plant systems into functional locations, pieces of equipment, and their assemblies. The system provides a means to stay up to date on all maintenance needs through the use of maintenance notifications. These notify the maintenance staff of all operational problems and form a permanent record of the problem. Both planned and actual costs of a maintenance order are constantly updated from budgeting through settlement. Cost information can be obtained through the order history. Complex regular maintenance tasks are set up in general maintenance task lists. The preventative maintenance aspect of the system ensures increased availability of plant systems by planning orders for periodic maintenance work.

## **Policy Objectives**

The objectives of this policy are to

- provide an overview of the system components of CFMS with the goal of enhancing users' knowledge of CFMS and its applications
- familiarize users with practices and procedures established for CFMS system security, access, and system change requests.

## **Application**

This policy applies to all users of the CFMS/SAP system.

## Policy Directives

### SECURITY ACCESS REQUEST FORMS

In order for a user to gain access to components of the CFMS system a security access form must be completed by the user, approved by the Director of Finance of the department or corporate services unit, and forwarded to the CIS Division, Department of Finance, for system activation/implementation. Security access request forms are located in Appendix 5-D and 5-E of this policy. CIS will notify the user when access has been activated.

### SYSTEM CHANGE PROCEDURES

CFMS/SAP system changes may be initiated by system users, system stakeholders, or by CIS Division staff. Examples of system changes are

- changes to interface programs
- new system reports
- changes to configuration/IMG
- creation of a new interface

System change procedures are located in Appendix 5-F of this policy.

## Accountability

Corporate Information Systems (CIS) is responsible for policy development with respect to CFMS system security access, system changes, upgrades, and enhancements. Appropriate input on impact to departments should be obtained from the Senior Financial Executive Forum (SFEF).

Departments are responsible for implementation of and compliance with policy.

## Monitoring

Corporate Information Systems will ensure the policy's implementation and monitor its performance and effectiveness.

## References

- CFMS Training Manuals
- CFMS Activity Subscripts

## Enquiries

Director, Corporate Information Systems (CIS)  
Department of Finance  
(902) 424-2939

## Appendices

Appendix 5-A SAP R/3 Modules  
Appendix 5-B Logistics Module Integration  
Appendix 5-C Financial Module Integration  
Appendix 5-D CFMS Security Access Request Form  
Appendix 5-E Policy on Confidentiality and Financial Information  
Appendix 5-F Procedure for System Change Request for CFMS/SAP System

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*Approved by: Minister, Department of Finance*

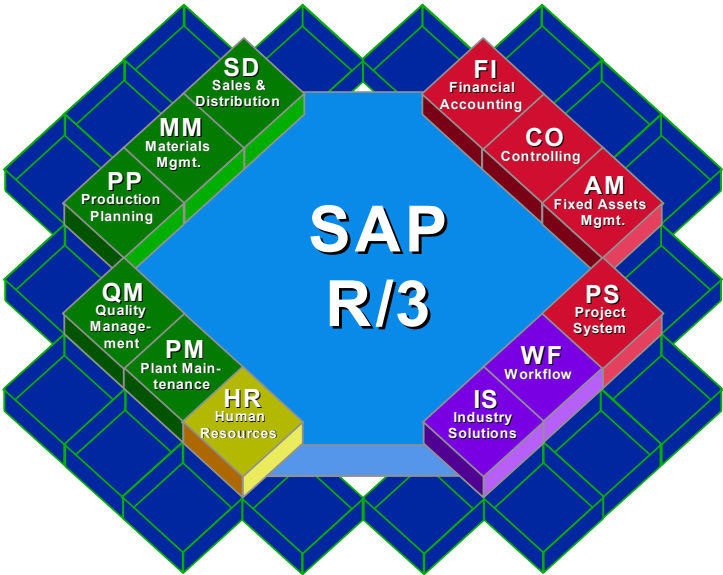
*Most recent review:*

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**Appendix 5-A**

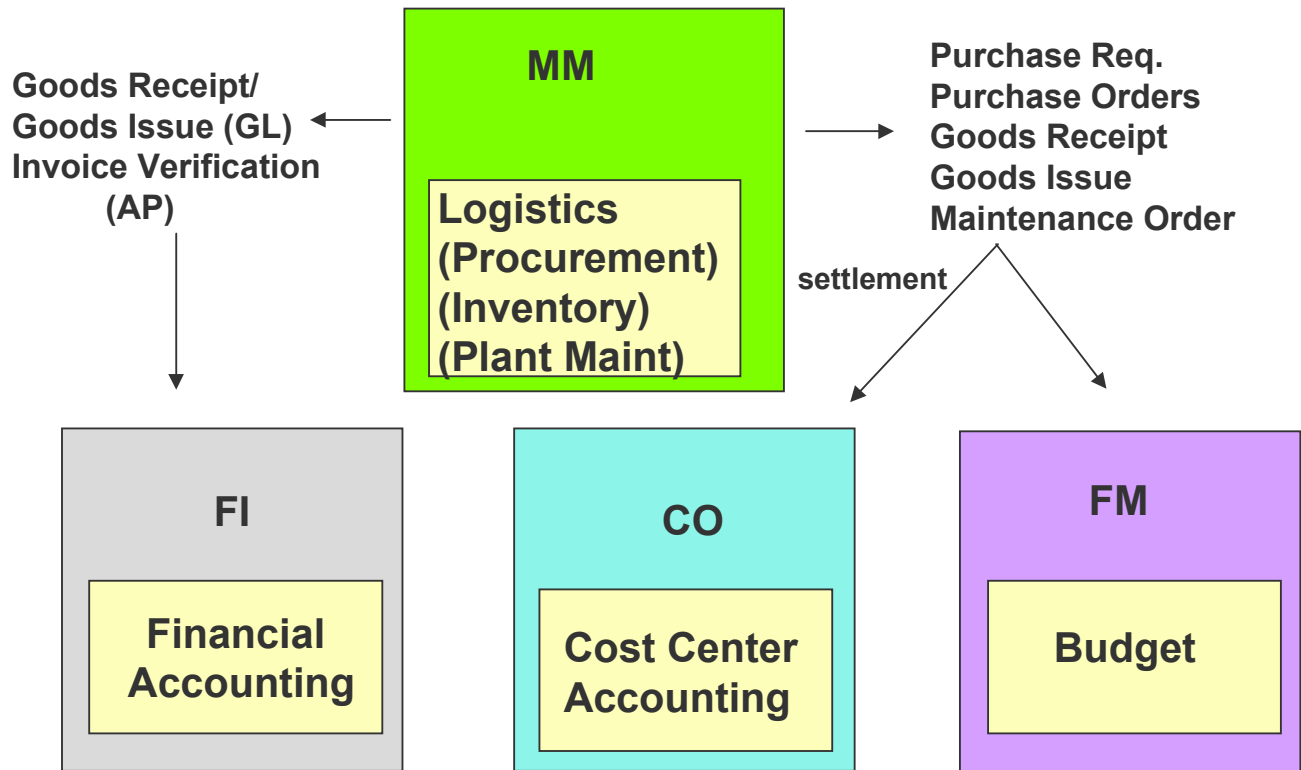
# What are the SAP R/3 Modules?

SAP R/3 consists of different modules, each of which handles specific business processes and applications:



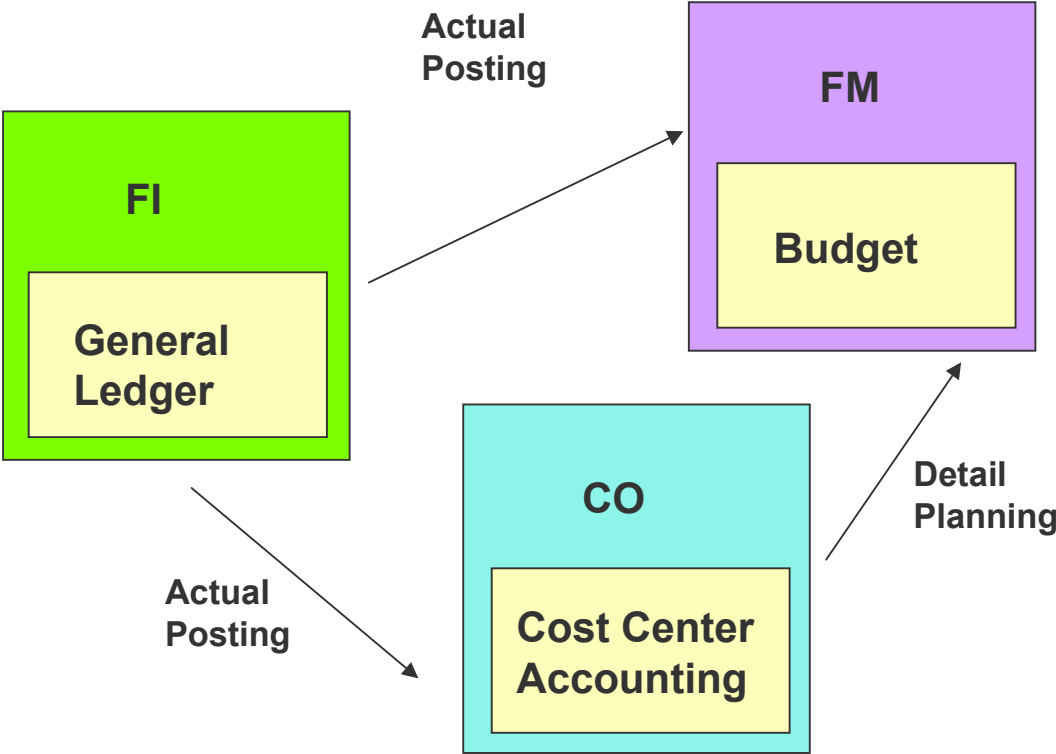
Appendix 5-B

# Logistics Module Integration



Appendix 5-C

# Financial Module Integration





## Appendix 5-D

# Corporate Financial Management Systems Security Access Request Form

## Part I

Before access will be granted to the SAP system, this form and the attached employee pledge of confidentiality, in their original format, must be returned to the Department of Finance, Corporate Information Systems 5th floor Provincial Building, attention CFMS Security. (See Part II for posting security details.)

For CSU financial security, i.e., access to information in more than one business area (department), please include details on Part II.

Employee Name	
Department	

Clearly mark an **X** in appropriate job category. For assistance or information, please contact Finance Corporate Information Systems at 424-4367, 424-7209 (SAP help desk).

<b>Accounts Payable (FI)</b>		<b>General Ledger (FI) / Orders (CO) - Budget, Forecast (FM)</b>			
Departmental A/P Staff Including Managers		Departmental Accounting Staff	Department of Finance Only—Accounting Services		
Department of Finance, Accounts Payable Section Only—Including Manager		Departmental Accounting Manager/ Budget Officer	Department of Finance Only—Budget Division		
		Departmental Senior Management Inquiry			
<b>Inventory Management (MM)</b>		<b>Procurement (MM)</b>		<b>Accounts Receivable (FI)</b>	
MRP Controller		Departmental Purchasing Technician/ Coordinator		Departmental Accounts Receivable Analyst	
Stock Supervisor		Dept. of Transportation & Public Works Procurement Branch Only—Buyer		Departmental Accounts Receivable Manager	
Stock Clerk		Dept. of Transportation & Public Works Procurement Branch Only—Supervisor		<b>Cash Management (TR)</b>	
Inventory Clerk		Dept. of Transportation & Public Works Procurement Branch Only—Director		Department of Finance Treasury Services Only—CM Analyst	
Inventory Analyst		Dept. of Transportation & Public Works Procurement Branch Only—Clerk		Department of Finance Treasury Services Only—CM Manager	
Inventory Manager		Dept. of Transportation & Public Works Tenders Office Staff		Department of Finance Treasury Services Only—Finance Officer	
MRP Planner		Dept. of Transportation & Public Works Procurement Branch only—SAP CIS		Department of Finance Only—SAP CIS Staff	
<b>Authorized Signatures (See Part II for details)</b>					
				Notes	
Departmental/CSU Finance Director Signature		Date			

# Corporate Financial Management Systems System Access Request Form

## Part II

Employee Name: \_\_\_\_\_

Default security for inquiry and posting equals all divisions and cost centres within business area. Indicate **P**osting or **I**nquiry security by entering **P** or **I** next to business area. Transactional access is based on the job roles selected on the front page. Cost Centre information prior to April 1997 is not available.

**Appendix 5-E**

# **Policy on Confidentiality and Financial Information**

## **Department of Finance Corporate Information Systems**

I, \_\_\_\_\_, do solemnly and sincerely swear that I will faithfully and honestly and to the best of my ability and knowledge fulfil the duties and responsibilities required and requested of me by reason of my employment in the public service of the Province of Nova Scotia and that I will not, without appropriate prior authority, disclose or make known to any person any matter that comes to my knowledge by reason of such employment.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Employee

Date: \_\_\_\_\_

## Appendix 5-F

# Procedure for System Change Request for CFMS/SAP System

## Receive and Route Change Request

1. The request is received by a staff member of the CIS division, most often through the SAP Help Desk. Examples of requests for system changes could be
  - writing new system reports
  - changes to interface programs
  - changes to configuration/IMG
  - requests from auditors
  - changes to SAP standard delivered software
2. The request is routed to the appropriate person or workgroup through the Remedy System or by other means of communication.

## Analyse Change Request

1. Staff member(s) review the request.
2. The request is assigned to a staff person or workgroup (technical, functional, basis administration, or security)
3. Support staff contacts the client to
  - obtain additional information and clarification
  - determine urgency and client deadline and to establish priority
4. The request is analysed; this may include:
  - a review of OSS research notes
  - an analysis of SAP functionality possibilities
  - a review system integration implications
5. Work effort is estimated.
6. Resource availability is determined.
7. The change request is reviewed with stakeholders or other interested parties:
  - approval is obtained from SFEF or the CFMS Steering Committee and stakeholders other than the requester, if necessary.

- This may include the preparation of a business case, in consultation with the client, to support the change request.
8. If the request is approved, the work is scheduled.

### **Schedule the Work**

1. Appropriate work is carried out to fulfil the request:
  - appropriate configuration changes made by functional person
  - ABAP programs written, tested, and promoted by technical staff
  - testing in development; possible new security profiles considered
  - transport documentation prepared
  - correction and transport into appropriate SAP for testing
  - testing carried out by appropriate functional and technical staff
  - actual scenarios considered/written and further integration testing completed
  - changes moved into production client
  - modifications of SAP-delivered ABAP coding
2. Correction/change is tested and implemented.

